

Message Text

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PAGE 01 PRETOR 01388 301645 Z

42

ACTION AF-18

INFO OCT-01 ADP-00 EUR-25 CIAE-00 DODE-00 PM-09 H-02

INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15

USIA-12 AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07

OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 CEA-02 IO-12

RSR-01 /187 W

----- 068255

R 301518 Z APR 73

FM AMEMBASSY PRETORIA

TO SECSTATE WASHDC 7967

INFO AMEMBASSY BONN

AMCONSUL CAPE TOWN

AMCONSUL DURBAN

AMCONSUL JOHANNESBURG

LIMITED OFFICIAL USE PRETORIA 1388

E. O. 11652: N/ A

TAGS: EGEN, ELAB, SF, GW

SUBJ: FORD (SA) ANNOUNCES WAGE INCREASE

CAPE TOWN ALSO FOR EMBASSY

SUMMARY: FORD ANNOUNCES 20 PERCENT INCREASE IN MINIMUM WAGE,
TERMING IT HIGHEST IN INDUSTRY. END SUMMARY.

1. ACCORDING TO PRESS, FORD SOUTH AFRICA HAS ANNOUNCED INCREASE
IN MINIMUM WAGE FROM 43 C TO 52 C AN HOUR. (MINIMUM SET BY
INDUSTRIAL COUNCIL AGREEMENT IS 40 C AND HOUR.) RESULT IS
MINIMUM MONTHLY WAGE OF R102 (DOLS144.84) WHICH DESCRIBED AS
STEP TOWARD GOAL OF R135 MONTHLY MINIMUM. FORD SPOKESMAN
QUOTED AS SAYING " WITH THIS INCREASE, WE BELIEVE WE ARE PAYING
THE HIGHEST MINIMUM WAGES IN THE COUNTRY IN THE MANUFACTURING
INDUSTRY, AND CERTAINLY THE HIGHEST IN THE MOTOR INDUSTRY."

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GENERAL MOTORS MINIMUM WAGE QUOTED AT 44 C PER HOUR.

2. RECENTLY RELEASED SURVEY BY UNIVERSITY OF PART ELIZABETH
SETS " POVERTY DATUM LINE" AT R90 PER MONTH AND MINIMUM
EFFECTIVE WAGE AT R135 PER MONTH.

3. INTERESTINGLY, PRETORIA NEWS (APRIL 16) QUOTED ARTICLE FROM
DIE WELT (GERMANY) STATING GERMAN MOTOR INDUSTRY IN SA PAYING
HIGHEST WAGES. RATES CITED BY THIS ARTICLE WERE GERMAN 40 C AN
HOUR, AMERICAN 35 C, SA 25 C AND FRENCH 20 C.

4. COMMENT: IN SPOTLIGHT FOCUSED ON FOREIGN BUSINESS OPERATIONS
FOLLOWING BRITISH PRESS EXPOSE, US FIRMS HAVE MADE GENERALLY
GOOD SHOWING. FORD ACTION IS ONLY ONE OF SEVERAL SIMILAR
MOVES (E. G. CHRYSLER PLANS TO CONSTRUCT R250,000 CAFETERIA
FOR AFRICAN WORKERS; AMERICAN EXPRESS CONTRIBUTION TO BURSARIES
FUND, ETC). THESE PLUS RELEASE OF DEPT. BUSINESS PRACTICES
PAPER INDICATIVE OF SENSITIVITY TO AND CONCERN ABOUT SERIOUS
PROBLEM OF AFRICAN WAGES AND WORKING CONDITIONS.
HURD

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*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

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30 JUN 2005

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Type: TE

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